

ASSEMBLY BILL

No. 1176

Introduced by Assembly Member Tran

February 22, 2005

An act to add Section 1286.3 to, and to repeal Title 9.2 (commencing with Section 1296) of Part 3 of, the Code of Civil Procedure, relating to arbitration.

LEGISLATIVE COUNSEL'S DIGEST

AB 1176, as introduced, Tran. Arbitration.

Existing law sets forth limited grounds for vacation of an arbitration award, including the procurement of the award by corruption, fraud, or other undue means. However, with respect to a construction contract with a public agency, the parties may expressly agree in writing that in any arbitration to resolve a dispute relating to the contract, the arbitrator's award shall be supported by law and substantial evidence. If the contract so provides, the court is required to vacate an award that is not supported by law and substantial evidence.

This bill would authorize the parties to any contract to expressly agree in writing that in any arbitration to resolve a dispute relating to the contract, the arbitrator's award shall be supported by law and substantial evidence, and would require the court, where the contract so provides, to vacate an award that is not supported by law and substantial evidence.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1286.3 is added to the Code of Civil
2 Procedure, to read:
3 1286.3. The parties to any contract may expressly agree in
4 writing that in any arbitration to resolve a dispute relating to the
5 contract, the arbitrator's award shall be supported by law and
6 substantial evidence. If the agreement so provides, a court shall,
7 subject to Section 1286.4, vacate the award if after review of the
8 award it determines either that the award is not supported by
9 substantial evidence or that it is based on an error of law.
10 SEC. 2. Title 9.2 (commencing with Section 1296) of Part 3
11 of the Code of Civil Procedure is repealed.